

**DEPARTMENT OF INSURANCE**

LEGISLATIVE OFFICE  
300 CAPITOL MALL, SUITE 1700  
SACRAMENTO, CA 95814  
(916) 492-3500  
(916) 322-7294 (FAX)  
[www.insurance.ca.gov](http://www.insurance.ca.gov)



September 2, 2008

The Honorable Arnold Schwarzenegger  
Governor of California  
State Capitol Building  
Sacramento, California 95814

**RE: SB 133 (Aanestad) – SIGN**

Dear Governor Schwarzenegger:

The California Department of Insurance is pleased to support **Senate Bill 133**, and urges you to **SIGN** this measure when it reaches your desk. It received only three (3) NO votes on both the Senate and Assembly floors combined. The bill will make California the first state in the nation to register title marketing representatives, or TMRs.

This bill is the culmination of several years of effort by the CDI to address the growing problem of TMRs utilizing illegal rebate tactics to market their title insurance companies to real estate agents and brokers. While such tactics are illegal, the CDI has no enforcement authority over the individuals who are using them. Enticing agents and brokers to promote a specific title insurer can potentially impede competition and result in persons paying higher title insurance costs.

Current law to curtail this illegal rebate practice is insufficient in two ways:

1. There is no mechanism for tracking or disciplining TMRs. While it is possible to discipline the title companies for the actions of its employed TMRs, this course of action has proven to be an ineffective deterrent.
2. There is ambiguity as to what constitutes a "reasonable expenditure" that TMRs may use in their marketing efforts.

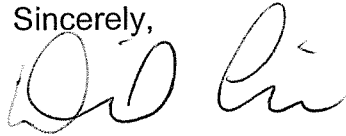
This bill clearly identifies the marketing activities that are illegal for TMRs to use for title insurance business inducement purposes. Additionally, it provides the CDI regulatory oversight of TMRs by establishing a process for registering them and disciplining those who fail to abide by the law.

SB 133 is a win-win bill: It is pro-business and pro-consumer. By curtailing the practice of real estate agents and brokers "recommending" a specified title insurer to their clients due to incentives received from TMRs, it promotes competition and transparency in the title insurance marketplace.

The Honorable Arnold Schwarzenegger  
September 2, 2008  
Page 2

I respectfully request that you **SIGN Senate Bill 133**.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Link", written in a cursive style.

DAVID LINK  
Deputy Commissioner and Legislative Director

cc: The Honorable Sam Aanestad  
Michael Prosio, Office of the Governor, Chief Deputy Legislative Secretary  
Manolo Platin, Governor's Office of the Insurance Advisor